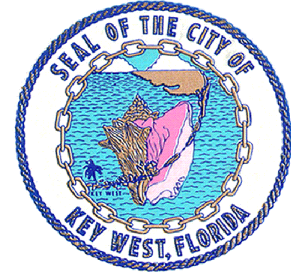


EXECUTIVE SUMMARY



TO: City Commission

CC: Patti McLauchlin
Todd Stoughton
Nathalia Mellies

FR: Gary Moreira, Senior Property Manager

DT: December 8, 2022

RE: Lease Renewal - Southernmost Deli, LLC (DBA Lagerheads)

ACTION STATEMENT

This is a request to approve the lease renewal for Southernmost Deli, LLC doing business as Lagerheads Beach Bar and Watersports at Simonton Beach.

BACKGROUND

The tenant operates a concession at Simonton Beach serving food, drinks and beer and wine while also providing beach rental accessories, water activity equipment, water sports activities and sale of hats, sunglasses, and sunscreen. The basic terms of the lease renewal are as follows:

Demised Premises:	252 square feet located at 0 Simonton Street.
Term:	Ten Years, Effective February 1, 2023.
Base Rent:	\$54,000.00 per year during year 1.
Rent Increases:	Year 2 - \$56,400.00 Year 3 - \$58,800.00 Adjusted by CPI annually thereafter.
Additional Rent:	State excise tax.
Percentage Rent:	6% on gross sales over natural breakpoint of \$900,000 per year with breakpoint adjusted annually along with base rent.
Utilities:	Tenant pays all utilities.

Financial: Base year rent for years one through three are fixed to achieve a guaranteed higher rent beginning with year 3 avoiding the fluctuations in the Consumer Price Index. Year one base rent however will be \$214.30 per square feet, as high, if not higher, than most other comparable smaller freestanding locations providing food or similar services in the area.

CONCLUSION:

The use remains unchanged, and tenant Felix Wiggins, (Southernmost Deli, LLC), has proven over the last seven years that he and his team are capable and successful operators providing a desired service to visitors and beachgoers at Simonton Beach.

ATTACHMENTS:

Lease